

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: County Assessors and Auditors
FROM: Barry Wood, Assessment Division Director
RE: Solar, Wind, Geothermal & Hydroelectric Deductions
DATE: January 24, 2022

Indiana law provides deductions from property tax for solar, wind, geothermal, and hydroelectric devices for homeowners, lessees, (a person leasing a property from another), and those buying property under contract including these energy devices. This memo does not apply to utility companies.

For specific details see:

Solar Power Devices: Ind. Code § 6-1.1-12-26.1 & Ind. Code § 6-1.1-12-27.1

Wind Power Devices: Ind. Code § 6-1.1-12-29 & Ind. Codes § 6-1.1-12-30

Hydroelectric Power Devices: Ind. Code § 6-1.1-12-33 & Ind. Code § 6-1.1-12-35.5

Geothermal Power Devices: Ind. Code § 6-1.1-12-34 & Ind. Code § 6-1.1-12-35.5

These deductions allow a taxpayer to receive a deduction from the assessed value of a property each year for the device. The deduction is equal to the amount of the value of the device, subtracted from the assessed value for the property. For example:

Assessed Value of Land:	\$20,000
Assessed Value of Real Property:	\$180,000
Total Assessed Value:	\$200,000
Total Assessed Value:	\$200,000
Value of Device:	\$5,000
Total AV with Deduction:	\$195,000

Once approved, refiling is not required: Once a deduction is approved for any of these categories, the applicant need not apply for subsequent years. If the recipient of the deduction becomes ineligible, he or she must notify the county auditor. (Ind. Code § 6-1.1-12-36) The deduction is annual. Therefore, the property owner, lessee, or buyer on contract, would receive it

annually without refiling each year once a deduction is approved. A taxpayer may receive more than one deduction for the same property.

For **geothermal and hydroelectric devices**, the property owner must request certification of the device by the Indiana Department of Environmental Management (“IDEM”). If IDEM fails to make a determination by December 31 in the year the application was received, the system or device is considered certified. (Ind. Code § 6-1.1-12-35.5)

Deduction Form: The applicable deduction form is Form SES/WPD ([Statement for Deduction of Assessed Valuation Attributed to Solar Energy System or Solar, Wind, Geothermal, or Hydroelectric Power Device](#)). This form should be used for solar, geothermal, hydroelectric, and wind-powered devices. It should be used for the application to IDEM when the taxpayer seeks certification of a new geothermal or hydroelectric device. It should be used to apply for any of the four deductions (solar, geothermal, wind, or hydroelectric) at the county level.

Filing Deadlines:

The deadlines are the same as for most other categories of deductions. Individuals, lessees, and buyers must file applications for these deductions by email, in-person, or postmark them through the regular mail, on or by **January 5, 2022**. This does not mean the assessor or auditor must **receive** them by that date.

Examples:

For instance, if the county office is closed, individuals are out sick, or other circumstances result in a **receipt date later than January 5, 2022**, the application is timely filed and must be considered.

- If the application is postmarked January 5, 2022, and the assessor or auditor receives it for example on January 10, 2022 (or later), it is a valid application.
- If the application is received through a drop-box because the office was closed or individuals were sick on the due date, the application is valid. If your office is closed for any reason on the due date of January 5, 2022, taxpayers must have a means by which to submit these forms in person, whether by drop box or other ways, if they hand-deliver them.
- If your office closes at noon on January 5, 2022, because of illness or other reasons, taxpayers must be able to deliver applications through a drop box or other means.
- If your computer system is down on January 5, 2022, and a taxpayer files a deduction application electronically that day, as confirmed by the electronic receipt, the application is timely filed.

- If a taxpayer files a deduction application electronically at 9:00 p.m. on January 5, it is timely filed.

As a reminder, some property buyers may close on new properties as late as December 31, 2021 and are eligible for deductions for 2022. They need not have lived on or used the property in 2021 to be eligible for a property tax deduction for 2022.

Questions or comments may be directed to Assessment Division Director Barry Wood at (317) 232-2762 or Bwood@dlgf.in.gov or Communications Director Jenny Banks at (317) 234-4376 or Jbanks@dlgf.in.gov.

The current contact at IDEM for submission of forms is kteachou@idem.in.gov.